

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7468

BILL NUMBER: HB 1609

NOTE PREPARED: Jan 12, 2007

BILL AMENDED:

SUBJECT: Freezing of Credit Reports.

FIRST AUTHOR: Rep. Elrod

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a consumer may prevent access to the consumer's credit report by requesting that the consumer reporting agency place a security freeze on the consumer's credit report. The bill imposes other requirements and restrictions. The bill provides that: (1) a consumer reporting agency may furnish a consumer's identifying information only to certain persons; (2) a consumer may bring a civil action against a consumer reporting agency for injury caused to the consumer by the consumer reporting agency's violation of the law; and (3) the Attorney General may bring an action to recover a civil penalty of \$2,500 for a knowing or intentional violation or series of violations concerning one consumer and not more than \$100,000 in the aggregate for knowing or intentional violations of the security freeze law for related violations concerning more than one consumer.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Attorney General-* The Attorney General would be allowed to represent the state to recover any civil penalties assessed. The Attorney General's existing level of resources would be sufficient to bring actions as provided in the bill.

Explanation of State Revenues: The bill would allow a new cause for civil action. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund when the case is filed in a court of record. Any additional revenue is likely to be minimal.

Civil Penalties- A person knowingly or intentionally violating a provision within the bill would be subject to a civil penalty of not more than \$2,500 for a case involving one consumer and not more than \$100,000 for

a case involving more than one consumer. Civil penalties would be deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Circuit and superior courts could see an increased number of suits filed as a result of the bill. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. Any additional revenue is likely to be minimal.

State Agencies Affected: Attorney General.

Local Agencies Affected: Circuit and Superior Courts.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.